

Message Text

CONFIDENTIAL

PAGE 01 TOKYO 15410 260250Z

73

ACTION OES-04

INFO OCT-01 EUR-12 EA-06 ISO-00 FEA-01 ACDA-05 CIAE-00

INR-05 IO-10 L-02 NSAE-00 NSC-05 RSC-01 EB-07 COME-00

PM-03 SP-02 SS-15 CIEP-01 /080 W

----- 109990

R 260155Z NOV 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6298

INFO AMEMBASSY CANBERRA

AEC GERMANTOWN

US MISSION TO IAEA VIENNA 490

C O N F I D E N T I A L TOKYO 15410

E.O. 11652: N/A

TAGS: TGEN, ENRG, PFOR, IAEA, AS, JA

SUBJ: JAPANESE INDUSTRY VIEWS ON RECENT NUCLEAR DEVELOPMENTS

REF: CANBERRA 7315

SUMMARY: ACCORDING TO R. IMAI, OFFICIAL OF JAPAN ATOMIC POWER CO., RECENT GOJ-AUSTRALIAN AGREEMENT TO CONDUCT ENRICHMENT FEASIBILITY STUDY WENT BEYOND INDUSTRY EXPECTATIONS BY CHARACTERIZING ENRICHMENT IN AUSTRALIA AS, IN PRINCIPLE, DESIRABLE. IMAI ALSO SEES NO PROGRESS ON IAEA VERIFICATION AGREEMENT AND NPT RATIFICATION UNTIL JANUARY AT EARLIEST, WITH DEVELOPMENT THEN DEPENDING ON OUTCOME OF PRESENT POLITICAL MANEUVERING IN JAPAN. END SUMMARY.

1. IN CONVERSATION WITH EMBOFF, R. IMAI, JAPCO OFFICIAL WHO OFTEN REFLECTS JAPANESE INDUSTRY VIEWS ON NUCLEAR ISSUES, CLAIMED JAPANESE-AUSTRALIAN AGREEMENT TO CONDUCT JOINT URANIUM ENRICHMENT FEASIBILITY STUDY WENT BEYOND PRIOR INDUSTRY-APPROVED POSITION. ACCORDING TO IMAI, INDUSTRY HAD AGREED IN ADVANCE OF TANAKA VISIT TO SUPPORT FEASIBILITY STUDY ONLY AFTER SATISFYING ITSELF THAT THERE WOULD BE CLEAR UNDERSTANDING THAT STUDY WAS WITHOUT COMMITMENT, EXPRESS OR IMPLIED, THAT PLANT CONSTRUCTION OR OTHER

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 15410 260250Z

CONCRETE ACTION WOULD FOLLOW. STATEMENT IN COMMUNIQUE

CHARACTERIZING POSSIBILITY OF URANIUM ENRICHMENT IN AUSTRALIA AS DEVELOPMENT "WHICH, IN PRINCIPLE, JAPAN WOULD FAVOR" HAS, THUS, AROUSED SOME CONCERN IN INDUSTRY CIRCLES. IMAI ATTRIBUTED THIS EXTENSION OF POLICY TO PRIME MINISTER TANAKA, AND DREW CONSOLATION FROM HIS OWN CONCLUSION THAT, WITH TANAKA'S DEPARTURE, THE BUREAUCRACY WOULD BE LESS INCLINED TO READ A COMMITMENT INTO THESE WORDS THAN WOULD OTHERWISE BE THE CASE. IN ANY EVENT, STUDY, WHICH WILL BE CARRIED OUT PRIMARILY BY MITI WITH U.S. NUCLEAR CONSULTING FIRM NUS, IS TO BE A SERIOUS ONE, AND JAPANESE INDUSTRY, AS USUAL, IS CONCERNED THAT IT NOT UPSET RELATIONSHIPS WITH U.S.

2. IMAI ALSO COMMENTED ON RELATION BETWEEN AGREEMENT ON ENRICHMENT FEASIBILITY STUDY, WHICH HE SAID AUSTRALIANS HAD BEEN PRESSING FOR FOR SOME TIME, AND RAW MATERIALS SUPPLY. IMAI ACKNOWLEDGED THAT THERE WAS DEFINITE LINK BETWEEN JAPANESE AGREEMENT TOO STUDY AND JAPAN'S DESIRE TO HELP KEEP OPEN DOORS TO AUSTRALIAN RAW MATERIALS, ESPECIALLY IRON ORE. HE STATED JAPAN'S URANIUM SUPPLY SITUATION, ALTHOUGH DIFFICULT, WAS NOT SO BAD THAT JAPAN WOULD PAY ANY PRICE (I.E., CONSTRUCTION OF AN ENRICHMENT PLANT WHICH DOES NOT MAKE TECHNICAL OR ECONOMIC SENSE) TO SECURE URANIUM.

3. FEASIBILITY STUDY AGREEMENT ALSO RAISES QUESTION AS TO NATURE OF TECHNOLOGY ON WHICH STUDY, AND ANY FOLLOW-ON ACTION, WILL BE BASED. "SELECTION OF APPROPRIATE TECHNOLOGY FROM THIRD COUNTRIES" IS ONE OF OBJECTIVES OF STUDY. HOWEVER, BOTH AUSTRALIA AND JAPAN HAVE BEEN WORKING ON CENTRIFUGE PROCESS FOR SOME TIME, AND IMAI DID NOT RULE OUT THAT STUDY COULD LEAD TO POOLING OF CENTRIFUGE KNOWLEDGE. HE STATED THAT JAPAN'S POWER REACTOR AND NUCLEAR FUEL DEVELOPMENT CORP (PNC) - A PUBLIC CORPORATION RESPONSIBLE FOR JAPAN'S CENTRIFUGE DEVELOPMENT PROGRAM - HAD BEEN A PROPONENT OF FEASIBILITY STUDY, SEEING IT AS POSSIBLE OPPORTUNITY TO BRING ABOUT APPLICATION OF THEIR DEVELOPMENT EFFORT. IMAI ALSO OBSERVED THAT JAPANESE CENTRIFUGE TECHNOLOGY HAD FOLLOWED LINE BASED ON RELATIVELY SMALL MACHINES, SIMILAR TO THAT OF TRIPARTITE EUROPEAN GROUP. IMPLYING THAT HE HAD VISITED EUROPEAN CENTRIFUGE PILOT PLANT, HE CHARACTERIZED SIGHT OF 3,000 CENTRIFUGES IN OPERATION AS "IMPRESSIVE".

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TOKYO 15410 260250Z

4. TURNING TO GENERAL QUESTION OF ENRICHMENT, IMAI SAID INDUSTRY HAD DEVOTED CONSIDERABLE EFFORT PRIOR TO PRESIDENTIAL VISIT TO ENSURING THAT NO COMMITMENTS WOULD BE MADE ON PART OF GOJ TO UEA PROJECT, AND HE EXPRESSED RELIEF THAT, INsofar AS HE KNEW, NONE HAD BEEN. JAPANESE INDUSTRY DOUBTS WHETHER UEA PROJECT WILL GO FORWARD, PRIMARILY BECAUSE OF WHAT THEY BELIEVE TO BE CONTINUED US UTILITY DISSATISFACTION WITH PROJECT. IMAI MADE IT

CLEAR THAT JAPANESE UTILITIES SHARE THIS ATTITUDE, ALTHOUGH FORMALLY THEIR POSITION IS TO FOLLOW US UTILITY INDUSTRY LEAD. NEVERTHELESS, THERE IS CONCERN IN JAPANESE NUCLEAR INDUSTRY THAT, WITH UEA PROJECT FADING OUT (AS THEY SEE IT) AND NO CONCRETE PROPOSAL FROM EXXON TO REPLACE EARLIER CENGEX PHASE I-A PROPOSAL, WHICH JAPANESE UTILITIES WERE READY TO SUPPORT, THERE WILL BE NO DIRECT LINK BETWEEN JAPANESE AND US ENRICHMENT PROGRAMS. IMAI INDICATED, AS HE HAS IN PAST, THAT JAPANESE UTILITY INDUSTRY PLANS TO STRENGTHEN TIES WITH EEI, BUT THIS RELATIONSHIP IS NOT REGARDED AS SUBSTITUTE FOR DIRECT ENRICHMENT LINK.

5. COMMENTING ON PROSPECTS FOR THE CONCLUSION OF VERIFICATION AGREEMENT WITH THE IAEA AND RATIFICATION OF THE NPT, IMAI STATED THERE WILL BE NO FORWARD MOVEMENT FOR TIME BEING, DESPITE DEPARTURE OF STA MINISTER MORIYAMA, IN VIEW OF JAPAN'S CONFUSED POLITICAL SITUATION. NEW STA MINISTER ADACHI IS CONFIDANT OF PRIME MINISTER TANAKA, AND THUS UNLIKELY TO REMAIN IN OFFICE AFTER TANAKA'S DEPARTURE. MOREOVER, IMAI SAID TI WILL TAKE STA STAFFERS SOME TIME TO GET USED TO "STICKING THEIR NECKS OUT AGAIN" AFTER A YEAR'S HIDING UNDER MORIYAMA, WHOSE DEPARTURE DREW CHEERS FROM STA BUREAUCRACY. IMAI HAS BEEN TENTATIVELY APPROACHED BY FONOFF TO GO TO VIENNA IN JANUARY FOR IAEA NEGOTIATIONS. SINCE HE WILL TRAVEL TO U.S. IN EARLY JANUARY (TO PARTICIPATE IN A PRIVATELY-SPONSORED SYMPOSIUM ON US-JAPAN RELATIONS TO BE HELD IN PALM SPRINGS, CALIFORNIA). HE INFORMED FONOFF THAT HE COULD NOT PARTICIPATE IN VIENNA TALKS UNTIL LATE JANUARY. HE EXPECTS THIS TO BE PROBABLY TIMING OF NEGOTIATIONS, IF GOJ STICKS TO NPT RATIFICATION PLANS. IMAI CONTINUES TO BELIEVE NEGOTIATION OF IAEA AGREEMENT WILL BE SIMPLE. HARD PART IS LINING UP DIVERSE SECTORS OF LDP TO SUPPORT RATIFICATION.

6. ON IAEA MATTERS, IMAI BELIEVES HIS PET PROJECT OF CREATING CONFIDENTIAL

CONFIDENTIAL

PAGE 04 TOKYO 15410 260250Z

STANDING COMMITTEE ON SAFEGUARDS HAS ATTRACTED NECESSARY SUPPORT TO RECEIVE APPROVAL. HE UNDERSTANDS US SUPPORTS CONCEPT; UK HAS "NO OBJECTION", AND BOTH EKLUND AND ROMETSCH WILLING TO GO ALONG, ALTHOUGH LATTER HAS RAISED QUESTIONS AS TO DETAILED FORM OF COMMITTEE. FINALLY, PERHAPS MOST SURPRISING OF HIS COMMENTS, IMAI SAID FONOFF HAD QUERIED HIM AS TO HIS INTEREST IN SERVING AS IAEA INSPECTOR-GENERAL. IMAI'S RESPONSE WAS THAT THERE WAS ALREADY AN I.G. WHO WOULD FIRST HAVE TO LEAVE. HE ACKNOWLEDGED TO EMBOFF AN INTEREST IN POSSIBILITY, SAYING OPPORTUNITY TO BE OUTSIDE OF JAPAN'S CONFUSED NUCLEAR SITUATION FOR A COUPLE OF YEARS WAS APPEALING.
HODGSON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: URANIUM, NUCLEAR COOPERATION PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TOKYO15410
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740342-0365
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741110/aaaaahzm.tel
Line Count: 166
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OES
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: CANBERRA 7315
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 26 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 MAR 2002 by kelleyw0>; APPROVED <24 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JAPANESE INDUSTRY VIEWS ON RECENT NUCLEAR DEVELOPMENTS
TAGS: TGEN, ENRG, PFOR, AS, JA, IAEA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005